

Date: March 30, 2001

DSL-BQA-01-016

To: Home Health Agencies

HHA-08

From: Janet Eakins, Section Chief
Provider Regulations Quality Improvement Section

Via: Susan Schroeder, Director
Bureau of Quality Assurance

Home Health Update

Health Care Financing Administration (HCFA) Transmittal 21 and Transmittal 25,
HCFA Memorandum S&C01-08 and Chapter HFS 133, Wisconsin Administrative Code

The purpose of this memorandum is provide the following information:

- HCFA Transmittal 21, October 27, 2000, Revisions to the HCFA Medicare State Operations Manual, Provider Certification for home health agencies;
- HCFA Transmittal 25, March 16, 2001, Revisions to HCFA Medicare State Operations Manual, Provider Certification, Appendix B, Interpretive Guidelines for home health agencies;
- HCFA Center for Medicaid and State Operations, Survey and Certification Group Memorandum S&C01-08 (copy attached);
- Pending revisions to Chapter HFS 133, Wisconsin Administrative Code, requirements for home health agencies.

HCFA Transmittal 21 provides revisions to Appendix B, Interpretive Guidelines for Home Health Agencies. This transmittal updates current guidance for home health surveys to include instruction for surveying the new Outcome and Assessment Information Set (OASIS) regulations, discontinues G-tag 167 and replaces it with G-tag 337, and provides the regulatory language and guidance on the recently amended conditions of participation regarding the prospective payment system. This rule was effective October 1, 2000.

HCFA Transmittal 25 incorporates HCFA's current home health survey and certification policy issues previously provided in various program memoranda, policy memos, and regulations into the state operations manual. The effective date of these revised materials is April 15, 2001.

A copy of the current State Operations Manual for provider certification and Appendix B, Interpretive Guidelines for Home Health Agencies is attached for your reference. This document incorporates transmittals 21 and 25, as well as other changes made since October 1993. This document can be photocopied as needed. Additional copies can also be obtained from the HCFA website at <http://www.hcfa.gov> or by contacting Barb Carey, Bureau of Quality Assurance at 608-267-1446.

HCFA memorandum S&C01-08 provides instructions regarding the implementation of Section 506(a)(1) of the Medicare, Medicaid, and State Children's Health Insurance Program Benefits

Improvement and Protection Act of 2000 (BIPA) related to the treatment of home health agency branch offices. This policy memorandum is effective immediately.

Revisions to Chapter HFS 133, Wisconsin Administrative Code for home health licensure, were filed with the Revisor of Statutes on March 15, 2001, after a 30 day Legislative review period ending March 14, 2001. The changes to Chapter HFS 133 will become effective on May 1, 2001. This means home health agencies will be required to follow the revised HFS 133 beginning on that date. BQA will notify home health agencies when the revised HFS 133 is available, and will forward a current version of this rule. The Wisconsin administrative codes are also available on the internet at <http://www.legis.state.wi.us/rsb/code/index.html>. The changes to HFS 133 include the following:

- I. The basis for program funding has changed from “annual net income” to “patient fee revenue” pursuant to the authority in 1999 Wisconsin Act 9 amending s. 50.49 (2) (b), Stats. “Patient fee revenue” means gross patient revenue less the following deductions:
 - a) Contractual adjustments from Medical Assistance, Medicare or other federal payment sources, and third party payers.
 - b) Bad debts that cannot be collected from private pay clients.
 - c) Charitable contributions.

The fee shall be 0.25% of patient fee revenue of the home health agency based on the agency’s financial information submitted to the Department in the form prescribed by the Department, with a maximum fee of \$2,500 and a minimum fee of \$500

- I. Incorporate existing Department policy expressed in Bureau of Quality Assurance memos and variances into chapter HFS 133 of the Wisconsin Administrative Code. The memos are:
 - a) **BQC-94-046: Statewide variance of HSS 133.06 (4)(d) 1.** Employee tuberculosis screening, which allows a registered nurse to certify employees as having been screened for tuberculosis infection and found free from clinically apparent communicable disease. The rule also clarifies that this shall occur within 90 days prior to the employee having direct patient contact.
 - b) **BQC-94-071: Statewide variance for HSS 133.10 (1)**, which allows home health agencies to contract for nursing services; and
 - c) **DSL-BQA-99-028 Statewide variance of HSS 133.20 (4) Physician’s orders**, which allows home health agencies to obtain physician countersignature in 20 calendar days rather than 10 days.
- I. Specify both the home health agency’s role and consumers’ rights related to discharge from the agency’s care. The new rules in HFS 133.09 (3) require an agency to:
 - a) Provide written notice to the patient or the patient’s legal representative at the following intervals:

- At least 10 days in advance when the discharge reason relates to payment or the agency's inability to care for the client; or
 - At the time of discharge when the discharge reason relates to safety of staff, if there are physician orders for medical reasons, or when the patient no longer needs home health care.
- a) Provide a notice of the patient's right to file a complaint with the Department regarding the discharge decision; and
- b) Include the home health hotline toll-free telephone number and address and telephone number of the Department's Bureau of Quality Assurance.
- I.** Add a license requirement for home health agencies to serve at least three skilled care patients in order to be eligible for initial state licensure.
- II.** Specify enforcement actions for those home health agencies that are not in compliance with this chapter. The Department may issue a statement of deficiency, require the home health agency to submit a plan of correction, or impose suspension of new patients, conditions on the license or revocation of the license.

Questions related to the State Operations Manual, Appendix B, or memorandum S&C01-80, should be directed to Barbara Woodford, Nurse Consultant, Provider Regulation and Quality Improvement Section by calling 608-264-9896. Questions related to HFS 133, Wisconsin Administrative Code revisions should be directed to Julie Hagen, Rules Writer, Provider Regulation & Quality Improvement Section by calling 608-266-3306. You may also contact them by writing to:

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Attachments